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## Government to discuss possible changes in employers' social security obligations

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The Ministry of Labor and Social Affairs (MLSA) issued for government consultation a draft bill amending the rules governing social security.

Among the proposed changes, the following could be mentioned:

- ▶ Reduced penalties for late payment of the employers' portion of social security contributions for May, June and July 2020, provided that the contributions are paid by 20 November 2020, at the latest. In such a case, standard penalty of 0.05% for each day of the delay shall be reduced by 80%.
- ▶ Reduction of the assessment base for calculation of the social security contributions for June, July and August 2020 by 40/80% in the event of a year-on-year decrease in sales by at least 15/30%. For assessment of the year-on-year decrease in sales, the MLSA proposes to compare sales for March and April 2020 with sales for March and April 2019.

This first draft would still need adjusting; the final wording may therefore significantly differ from the above proposal. Currently, the draft bill e.g. does not address the relation between possible deferment of payment of contributions for May 2020 and the eligibility to apply for aid under the Antivirus program, where the actual payment of contributions is one of the requirements for claiming the aid.

We will continue to monitor the development of the bill for you. If you have any questions, please do not hesitate to contact the author of the article or your regular EY tax advisory team.



**Martina Kneiflová**

[martina.kneiflova@cz.ey.com](mailto:martina.kneiflova@cz.ey.com)  
+420 731 627 041



**Adam Linek**

[adam.linek@cz.ey.com](mailto:adam.linek@cz.ey.com)  
+420 730 191 859